

REMARKS

By the foregoing Amendment, Claims 1-14 are amended in a non-substantial way to obviate a 35 U.S.C. 112, second paragraph, rejection. Entry of the Amendment, and favorable consideration thereof is earnestly requested.

Claims 1-14 stand rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention. Claims 1-14 have been amended to obviate this rejection.

The Examiner has rejected Claims 1-28 under 35 U.S.C. §103(a) as being unpatentable over Nelson (U.S. Patent No. 4,823,265) in view of Moy (U.S. Patent No. 5,230,048). Applicant respectfully requests that the Examiner reconsider these rejections in view of the following Remarks.

The present invention is directed to an apparatus and method for facilitating the processing and settlement of an already executed securities trade. The apparatus and method compares trade execution information received from one trading party with trade allocation information received from a second trading party and determines that a match exists if the block level trade execution information and the block level trade order information correlate within a set of predefined

acceptable trade parameters. Before making such a comparison, however, the apparatus and method determines block level trade execution information based upon the received trade execution information and determines block level trade order information based upon the received trade order information. In accordance with the system and method of the present invention, it is such block level trade execution information and block level trade order information which is compared.

On the other hand, Nelson discloses an apparatus and method for processing transactions in renewable options in stocks or other securities, while Moy discloses a method and apparatus for allowing multiple users to monitor stock market data. At least in part because these two systems are concerned with solving completely different problems than is the present invention, Applicants respectfully submit that there are numerous elements common to all claims which are not disclosed, taught or suggested by the two cited references, either alone or in combination.

All claims require the receipt of trade execution information, which trade execution information is indicative of an executed trade by the first trading party, and trade allocation information, which trade allocation information is indicative of an ordered trade by the second trading party. As neither Nelson nor Moy is concerned with facilitating the settling of a securities trade which has already been

executed, neither reference discloses, teaches or suggests any of the above-highlighted elements. As such, a combination of the cited references would not possess these elements.

All claims also require a set of acceptable trade parameters, the comparing of the trade execution information with the trade allocation information, and the determining that a match exists if the trade execution information and the trade allocation information correlate within the acceptable trade parameters. Thus, the claims require that two specific types of data sets are compared and a match is determined to exist if the data sets correlate within certain specified parameters. Neither Nelson nor Moy individually, or in combination, discloses, teaches or suggests these limitations.

Nelson briefly discloses a "renewable option exchange which would accept and match offers to purchase, sell and write renewable options." (column 9, lines 35-37). However, when the above quotation is read in its surrounding context, it becomes clear that a "comparing" of two sets of data within a set of "acceptable trade parameters" (as required by all claims) was not even remotely contemplated. Rather, Nelson is concerned only with providing an "exchange" where a variety of entities may gather, offer renewable options, view offered renewable options, and

decide to accept or reject listed offers for renewable options. No comparing of data sets is disclosed, and Applicants cannot even conceive of how the required "acceptable trade parameters" element could be considered as being disclosed, taught or suggested. The system and method claimed in the present application is completely different than the computer-based classified-type system and method disclosed in Nelson.

Moy discloses a method and system for allowing multiple users to monitor stock market data. No comparing of data sets to determine whether a "match" between data sets exists is disclosed. Rather, the system simply presents certain types of stock market related data to users. Moreover, as with Nelson, Applicants cannot even conceive of how the required "acceptable trade parameters" element could be considered as being disclosed, taught or suggested by Moy. As is the case with Nelson, the apparatus and method claimed in the present application is completely different than data reporting apparatus and method disclosed in Moy. Indeed, the Examiner does not (and reasonably can not) cite Moy as disclosing the above-highlighted elements required by all claims.

The requirements of the Claims do not stop there, however. All claims further require the determination of block level trade execution information based

upon the received trade execution information and the determination of block level trade order information based upon the received trade order information. All claims also require that it is such block level trade execution information and block level trade order information which is compared to determine whether or not a match exists.

The determination of the block level information provides a number of significant benefits, as described in detail in the current application in paragraphs [0029] - [0032]. Specifically, it should be recognized that the trade execution information and the trade allocation information may be submitted in a number of ways. For example, the information may be submitted at a block level (i.e., at a trade level) with the associated allocation level (i.e., showing the contract detail for the trade) being submitted therewith, or the information may be submitted at the allocation level only. Such may complicate the pairing and matching processes, as the apparatus and method of the present invention is concerned with matching block level information. Thus, the apparatus and method of the present invention preferably determines block level trade execution information and block level trade allocation (or order) information based upon the trade execution information and the trade allocation information respectively. If the block level information is supplied in the trade execution information and the trade allocation information, the block level information is simply extracted therefrom. However, if the block

level information is not supplied in the trade execution information and the trade allocation information, the apparatus and method of the present invention creates block level information (called a pseudo block) by summing up the data contained within the allocation level information (i.e., showing the contract detail for the trade).

Thus, it should be clear to one skilled in the art in light of the Specification and Claims of the present application that what is meant by "block level" information is the combined information directed to an entire trade (as opposed to "allocation level" information which would be indicative of how the securities involved in the trade are split between various individual investors). For example, if an investment manager (i.e., an orderer) submits trade allocation information which includes block level trade information indicating a total of 1000 shares of IBM and allocation level trade information showing orders for 200 shares each for 5 separate funds making up the block level trade, and a broker (i.e., an executor) submits only the allocation level trade information for the 5 separate funds, the apparatus and method of the present invention creates a pseudo block level trade for the broker summing up the allocation level trade information to show a block level trade of 1000 shares. Thus, even though the counterparties are entering the trade information in different formats (i.e., one in block level format and the other in allocation level format), the pseudo block created by the apparatus and method of

the present invention allows matching at the block level as well as at the allocation level.

Applicants respectfully submit that the above-highlighted requirements of all claims are not even hinted at by either Nelson or Moy. Indeed, the Examiner expressly recognizes that Nelson fails to disclose such limitations. With respect to Moy, while Moy does mention "block trades", the "block trades" with which Moy is concerned have nothing at all to do with the required "block level" information required by all claims. Moy simply considers any large trade to be a "block trade" ("The block trade ticker (bt) identifies all trades which exceed ten thousand shares"; col. 6, lines 6-8). Such large "block trades" are provided to users on a separate ticker. This information may be particularly interesting to some investors, as large trades may have a measurable effect on share price, etc.

Moy, however, does not disclose, teach or suggest the determination of block level trade execution and/or order information based upon received trade execution and/or order information, and/or the comparison of such block level trade execution and order information to determine whether or not a match exists. The only thing Moy teaches is that large trades (i.e., those over 10,000 shares) are identified on a separate "block trade" ticker. It is worth noting that in the context of

the present invention, a block trade need not be nearly so large. In fact, a block trade in the context of the present invention may involve only two shares of a security (one share allocated to each of two parties). Similarly, even in the example given in paragraph [0030] of the application as filed, the "block level trade information" concerns only 1000 shares of a security. Moy would not consider either of these examples to be "block trades."

Furthermore, even if Nelson and Moy were combined, the resulting apparatus or method would not anticipate or render obvious the present invention as claimed. Rather, the result of such a combination would be an "exchange" where a variety of entities may gather, offer renewable options, view offered renewable options, and decide to accept or reject listed offers for renewable options (as taught by Nelson) which includes a block trade ticker which identifies all executed trades which exceed ten thousand shares (as taught by Moy). Applicants respectfully submit that this is not even close to what is claimed.

As neither Nelson nor Moy, either alone or in combination, discloses, teaches or suggests each of the elements required by all claims, and as both references are concerned with solving completely different problems than is the

claimed invention, Applicants respectfully submit that there is no basis for a rejection under 35 U.S.C. §103(a).

For the foregoing reasons, Applicant respectfully submits that all pending claims, namely Claims 1-28, are patentable over the references of record, and earnestly solicits allowance of the same.

Respectfully submitted,



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